

2003

EMPLOYER-ASSISTED DAY-CARE TAX CREDIT WORKSHEET INSTRUCTIONS

This credit is available to employers who provide or pay for day-care services for their employees. For purposes of this credit, “employer” means any entity that employs one or more individuals performing services for it within this State. For a complete definition of “employer,” *see* 26 M.R.S.A. § 1043(10). The day-care services may be provided in-house by the employer at a nonprofit facility licensed by the Department of Human Services (“DHS”) or may be in the form of payment or vouchers for off-site day-care services provided by others at a facility licensed by or registered with DHS. The allowable credit is equal to the lowest of:

- 1) \$5,000;
- 2) 20% of the actual costs incurred in providing day-care for children of employees by the employer; or
- 3) \$100 for each child of an employee enrolled on a full-time basis (or for each full-time equivalent) for the entire taxable year (or on the last day of the taxable year for the first year that services are provided) in a day-care program provided by the employer.

The allowable credit doubles if the day-care services provided qualify as “quality child-care.” “Quality child-care” facilities are certified by DHS, Office of Child Care and Head Start. A quality child-care provider is one that meets minimum licensing standards and is accredited by an independent, nationally recognized program approved by DHS, Office of Child Care and Head Start; utilizes recognized quality indicators for child-care services approved by the Department of Human Services, Office of Child Care and Head Start; and includes provisions for parent and client input, a review of the provider’s policies and procedures, a review of the provider’s program records and an on-site program review. For an application to become a certified facility or for a list of existing quality child-care facilities, visit our Web site at www.maine.gov/revenue/incomeestate/qualchil.html or call DHS at (207) 287-5060. The credit is limited to the income tax otherwise due, but any excess can be carried back 3 years or carried forward 15 years.

SPECIFIC LINE INSTRUCTIONS

Please enter the taxpayer name and social security number (“SSN”) or employer identification number (“EIN”).

In the case of passthrough entities (partnerships, LLCs, S corporations, trusts, etc.), the partners, members, shareholders, beneficiaries, etc., are allowed a credit in proportion to their respective interest in these entities. Attach a schedule showing the credit generated by the passthrough entity and the assignment/distribution to each partner, shareholder, beneficiary, etc. Include the name, address, and federal ID number of the passthrough entity and the name and SSN/EIN of each partner, shareholder, beneficiary, etc.

- Line 1. Enter the total number of employees’ children that were enrolled full-time (or the number of full-time equivalents for all enrolled children) for the entire taxable year in day-care services provided by the employer. For example, two children enrolled in day-care services, each on a half-time basis, would count as one full-time equivalent. If this is the first year that services are provided, enter the total number of employees’ children that were enrolled full-time (or the number of full-time equivalents for all enrolled children) on the last day of the taxable year.
- Line 3. Enter actual costs incurred in providing day-care services to employees’ children for the taxable year.
- Line 6. The amount of the credit doubles for child-care services that are quality child-care services. Child-care facilities providing quality child-care services are certified by the Maine Department of Human Services, Office of Child Care and Head Start. Certificates are renewed every 3 years. Any expenses incurred after the effective date of the certificate and before the certificate expires are quality child-care expenses. Effective dates can be obtained from your day-care provider or from the Web page listed above. If you enter an amount paid for quality child-care services on line 6, you must enter the certificate number(s) of the quality child-care facility or facilities in the space provided. You may obtain the certificate number from your child-care provider. The amount on line 6 will be reduced to zero if the certificate number is not provided.
- Line 10. The credit is limited to the tax liability of the taxpayer. Any unused portion may be carried back 3 years or carried forward 15 years. Enter any credit carryforward or carryback amounts from other years on this line.
- Line 11. The amount of the credit that may be used by a taxpayer for a taxable year may not exceed the amount of income tax otherwise due. For taxable corporations, the credit limitation is applied on Form 1120ME, Schedule C; the credit limitation for individuals is applied on Form 1040ME, Schedule A. Any unused credit may be carried over to the following year or years for a period not to exceed 15 years or it may be carried back for a period not to exceed 3 years.



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EMPLOYER-ASSISTED DAY-CARE TAX CREDIT
WORKSHEET
36 M.R.S.A. § 5217

TAXPAYER NAME: _____ EIN/SSN: _____

Note: Owners of passthrough entities (partnerships, LLCs, S corporations, trusts, etc.) making an eligible investment, see instructions. Also, please provide name and ID number of passthrough entity on the lines below.

NAME OF PASSTHROUGH ENTITY

EIN/SSN

- | | | |
|-----|--|--------------------------------|
| 1. | Number of employees' children enrolled full-time (or number of full-time equivalents for all enrolled children) in day-care services provided/paid for by the employer in 2003 (See instructions) | _____ |
| 2. | Line 1 x \$100 | _____ |
| 3. | Actual costs incurred by employer in providing day-care services for children of its employees for the taxable year | _____ |
| 4. | Line 3 x 20% (0.20) | _____ |
| 5. | Enter the lesser of line 2, line 4 or \$5,000 | _____ |
| 6. | Do any of the day-care services provided in 2003 qualify as "quality child-care" services? See instructions.
If yes, enter the certificate number(s) _____
of the quality child-care certificate(s) issued to the facility by the Department of Human Services, Office of Child Care and Head Start.
Enter credit amount from line 5 that relates to amounts paid for quality child-care services. | Yes __ No __

_____ |
| 7. | Line 6 x 2 | _____ |
| 8. | Line 5 minus line 6 (not less than zero) | _____ |
| 9. | Current year credit amount (line 7 plus line 8) | _____ |
| 10. | Credit carried forward/back from other tax years. See instructions. | _____ |
| 11. | Total credit available this year (line 9 plus line 10). Corporate taxpayers, enter this amount on Form 1120ME, Schedule C, line 29c. Individuals, enter this amount on Form 1040ME, Schedule A, line 10. | _____ |